

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT NO. 2436.

LISTED FEBRUARY 11, 1970.
962,036 Common shares without par value of which 50,000 shares are subject to issuance.
Stock Symbol "OPE".
Post Section 5.6.
Dial Quotation No. 2359.

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

FFR 23 1970

OIL PATCH EQUIPMENT SALES & RENTAL LTD.

Incorporated under the Laws of the Province of Alberta by
Memorandum of Association dated November 14, 1960.

CAPITALIZATION AS AT NOVEMBER 1, 1969

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common shares without par value	2,000,000	912,036	962,036*
*of which 50,000 are subject to issuance			
LONG-TERM DEBT			
7½ % First Mortgage due June 7, 1987		\$137,856	
Agreement to Purchase—See page 6 of the Prospectus		50,782	

January 20, 1970

1. APPLICATION

OIL PATCH EQUIPMENT SALES & RENTAL LTD. (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 962,036 common shares without par value in the capital stock of the Company of which 912,036 have been issued and are outstanding as fully paid and non-assessable. The remaining 50,000 common shares included in this application have been reserved for issuance pursuant to existing stock option arrangements (for particulars of which see page 8 of the Prospectus under the sub-heading Options to Purchase Securities).

2. REFERENCE TO PROSPECTUS

Reference is made throughout this listing application to the Prospectus of the Company dated December 5, 1969, (the "Prospectus") relating to the offering of 300,000 common shares of the Company.

3. HISTORY

A history of the Company is set forth on page 3 of the Prospectus.

4. NATURE OF BUSINESS

The nature of the business of the Company is set forth on pages 3 and 4 of the Prospectus. The Company has a total of 55 permanent employees.

5. INCORPORATION

The Company was incorporated under the laws of the Province of Alberta by Memorandum of Association dated November 14, 1960, with an authorized capital of 20,000 common shares without par value and by special resolution filed with the Registrar of Companies for the Province of Alberta on December 3, 1969, the 108 issued shares without nominal or par value were sub-divided into 612,036 issued shares and the authorized capital was increased to 2,000,000 shares without nominal or par value, which may be issued for an aggregate consideration not exceeding \$8,000,000; and the Company was converted to a public company.

6. SHARE ISSUES SINCE INCORPORATION

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
15th November, 1960	105	\$1.00	\$ 105.00	Incorporators shares
12th August, 1963	3	\$1.00	\$ 3.00	To provide for desired proportionate shareholdings
30th December, 1969	300,000	\$5.50	\$1,650,000	Expansion of the Company's business

7. PROVISIONS OF SHARES

The Company has only one class of shares and particulars thereof are set forth on page 7 of the Prospectus under the heading "The Shares".

8. DIVIDEND RECORD

The Company has not paid any dividend on its shares and reference is made to page 7 of the Prospectus under the sub-heading "Dividend Record and Policy".

9. RECORD OF PROPERTIES

The properties owned by the Company are described on page 6 of the Prospectus under the heading "Property".

10. SUBSIDIARY COMPANIES

The Company does not have any subsidiaries.

11. FUNDED DEBT

The Company does not have any funded debt.

12. OPTIONS, UNDERWRITINGS, ETC.

Particulars of outstanding options in respect to shares of the Company are set forth under the sub-heading "Options to Purchase Securities" on page 8 of the Prospectus.

The only underwriting agreement in force affecting the Company is that described in the Prospectus on page 7 under the heading "Plan of Distribution".

13. LISTING ON OTHER STOCK EXCHANGES

There are no securities of the Company listed on any other Stock Exchange.

14. STATUS UNDER SECURITIES ACTS

Particulars of any filing, registration, approval or qualification with or by the Ontario Securities Commission or any corresponding governmental body or authority are as follows:

The Prospectus of the Company was filed with the various governmental bodies indicated below and the approval of the Prospectus by such bodies was obtained on the dates specified below:

(1) British Columbia Securities Commission	December 10, 1969
(2) Alberta Securities Commission	December 8, 1969
(3) Saskatchewan Securities Commission	December 9, 1969
(4) Manitoba Securities Commission	December 9, 1969
(5) Ontario Securities Commission	December 9, 1969
(6) New Brunswick Board of Public Utilities	December 8, 1969
(7) Registrar under the Securities Act of Nova Scotia	December 15, 1969
(8) Attorney General, Province of Prince Edward Island	December 15, 1969

15. FISCAL YEAR

The fiscal year of the Company ends on September 30 in each year.

16. ANNUAL MEETINGS

The Articles of Association of the Company provide that the Annual Meeting of the Company shall be held at such place and on such date in each year as the Board of Directors may determine from time to time. The last Annual Meeting of the Company was held on November 28, 1969.

PROSPECTUS DATED DECEMBER 5, 1969.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale.

A copy of this prospectus has been filed with the Registrar of Companies of the Province of Alberta.

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereby and any representation to the contrary is an offence.

NEW ISSUE:



Oil Patch Equipment Sales & Rental Ltd.

(Incorporated under the laws of the Province of Alberta)

300,000 shares

(Without nominal or par value)

Price: \$6.00 per share

	Price to the Public	Proceeds to the Underwriter	Proceeds to the Company (1)
Per share	\$6.00	\$.50	\$5.50
Total	\$1,800,000	\$150,000	\$1,650,000

(1) Before deducting expenses of this issue estimated at \$35,000.

There is no market for the shares of Oil Patch Equipment Sales & Rental Ltd. (Oil Patch) and the price for this offering was determined by negotiation between Oil Patch and the Underwriter. Application has been made to list the shares of Oil Patch on The Toronto Stock Exchange. Acceptance of listing will be subject to the filing of required documents and evidence of satisfactory distribution, both within 90 days.

We, as principals, offer these shares subject to prior sale, if, as and when issued to and accepted by us and subject to the approval of all legal matters on behalf of Oil Patch by Messrs. Saucier, Jones, Peacock, Black, Gain, Stratton & Laycraft, Calgary, and on our behalf by Messrs. Milner & Steer, Edmonton.

It is expected that definitive share certificates will be available on or about December 30, 1969.



RICHARDSON SECURITIES OF CANADA

HEAD OFFICE: WINNIPEG, MANITOBA

VICTORIA, VANCOUVER, PRINCE GEORGE, CALGARY, EDMONTON, LETHBRIDGE, MEDICINE HAT, SWIFT CURRENT, SASKATOON, MOOSE JAW, REGINA, BRANDON, WINNIPEG, KENORA, WINDSOR, CHATHAM, SUDBURY, LONDON, KITCHENER, GALT, SARNIA, SIMCOE, HAMILTON, TORONTO, KINGSTON, OTTAWA, MONTREAL, QUEBEC CITY, FREDERICTON, SAINT JOHN, MONCTON, SUMMERSIDE, CHARLOTTETOWN, DARTMOUTH, HALIFAX, LONDON (ENGLAND), FRANKFURT (W. GERMANY), HONG KONG.

TABLE OF CONTENTS

	Page		Page
Purchaser's Statutory Rights		Use of Proceeds	7
of Withdrawal and Rescission	3	Management	8
Oil Patch	3	Directors and Officers	8
Business of Oil Patch	3	Remuneration of Directors and	
Expansion	4	Senior Officers	8
Fabricating and Assembly Plant	4	Options to Purchase Securities	8
Northern Continental Development	4	Interest of Management and	
Map	5	Others in Material Transactions	9
Property	6	Principal Holders of Shares	9
Capitalization	6	Material Contracts	9
The Shares	7	Auditors, Transfer Agent and Registrar	9
Description of the Shares	7	Auditors' Report	10
Dividend Record and Policy	7	Financial Statements	11
Plan of Distribution	7	Certificate of Oil Patch	15
		Certificate of the Underwriter	16

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The Securities Act, 1966 (Ontario), The Securities Act, 1968 (Manitoba), The Securities Act, 1967 (Saskatchewan) and The Securities Act, 1967 (Alberta) provide, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent; and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

The Securities Act, 1967 (British Columbia) provides, in effect, that a purchaser has a right of rescission similar to that described in (b) above; and also that a purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities, as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities, but written notice of intention to commence an action for such rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, and no action shall be commenced after the expiration of 3 months from the date of service of such notice.

Reference is made to the said Acts for the complete texts of the provisions under which the foregoing rights are conferred and the foregoing summaries are subject to the express terms of such Acts.

OIL PATCH

Oil Patch Equipment Sales & Rental Ltd. (Oil Patch) was incorporated as a private company by Memorandum of Association under the laws of the Province of Alberta on November 15, 1960. By Special Resolution filed with the Registrar of Companies for Alberta on December 3, 1969, the 108 issued shares were subdivided into 612,036 issued shares and the authorized capital was increased to 2,000,000 shares without nominal or par value, which may be issued for an aggregate consideration not exceeding \$8,000,000, and Oil Patch was converted to a public company.

Oil Patch was organized by Donald L. Chandler with two associates who subsequently sold their shares, in part to Barron Kidd. Effective in November of 1963 Oil Patch acquired the operations and assets and assumed the liabilities of Cornell Rental Tools Ltd., which had been organized by Barron Kidd and Philip Cornell on October 19, 1960.

Oil Patch's registered office is 300 Bentall Building, Calgary, Alberta and its principal office is 5105-75th Street, Edmonton, Alberta.

BUSINESS OF OIL PATCH

The term "oil patch" is a common expression in the oil industry denoting an area active in the development of petroleum deposits. Oil Patch is engaged in selling, renting, repairing and reconditioning oil field equipment for oil and gas exploration and development companies. The oil field equipment, new and used, ranges from complete drilling rigs, including all necessary support equipment, to individual components of oil field equipment, including draw works, derricks, pumps, blowout preventors, drill pipe, drill collars, light plants and auxiliary equipment required in the exploration and development of oil and gas properties.

Oil Patch maintains offices in Edmonton, Calgary and Zama Lake in Alberta, Swift Current in Saskatchewan, Fort St. John in British Columbia and Fairbanks in Alaska. A comprehensive inventory of oil well equipment is maintained in storage yards convenient to areas active in oil and gas exploration and development in Western Canada for rental on short-term contracts and an additional inventory of equipment is available for sale. A complete overhaul, testing and reconditioning shop is maintained at Oil Patch's headquarters in Edmonton. The map shown on page 5 indicates locations of Oil Patch's operating bases. Oil Patch has also supplied equipment for use in other areas of the United States, Europe, the Middle East and Australia.

Rental contracts are ordinarily entered into for short periods which average approximately 15 to 20 days. Customers usually are major producing oil and gas companies. Equipment rentals have increased from \$492,000 in fiscal 1965 to \$1,298,000 in fiscal 1969 or 263%. Sales of equipment are usually made from inventory but, in some instances, the equipment required is purchased by Oil Patch in response to a customer's order. Fabrication of components and assembly of complete drilling rigs also form part of Oil Patch's business. Customers for equipment sales, fabrication and assembly are primarily drilling contractors. Equipment fabricating and assembly sales have increased from \$721,000 in fiscal 1965 to \$1,837,000 in fiscal 1969 or 255%.

The equipment sold or rented by Oil Patch, except for drill pipe and drill collars, is primarily used oil field equipment components which have been reconditioned and re-assembled by Oil Patch. This used equipment is acquired principally by private purchases and by acquisitions at oil field equipment public auctions. These auctions, at which much of the oil industry buys and sells equipment are held at irregular

but frequent intervals. Drill pipe and drill collars, which constitute the largest single items in Oil Patch's rental inventory, are primarily acquired from the manufacturers.

There are many general equipment rental companies who may in part compete with Oil Patch, but there are in Canada only three other companies which specialize in oil field equipment rentals and thus are in direct competition with Oil Patch. To a lesser extent, Oil Patch is also faced with competition in the acquisition, assembly and sale of used equipment.

Until November, 1967 Oil Patch also operated an oil field trucking division which was sold at that time. Reference is made to the sale under the heading Material Contracts on page 9. As a result the gross revenue for the fiscal year 1968 was less than for the fiscal year 1967. Reference is made to the Statement of Earnings on page 12.

EXPANSION

The increasing tempo in oil and gas exploration has resulted in rapidly increasing demands for Oil Patch's services. In order to take advantage of opportunities now available, Oil Patch is engaged in major expansion programs as follows:

Fabrication and Assembly Plant

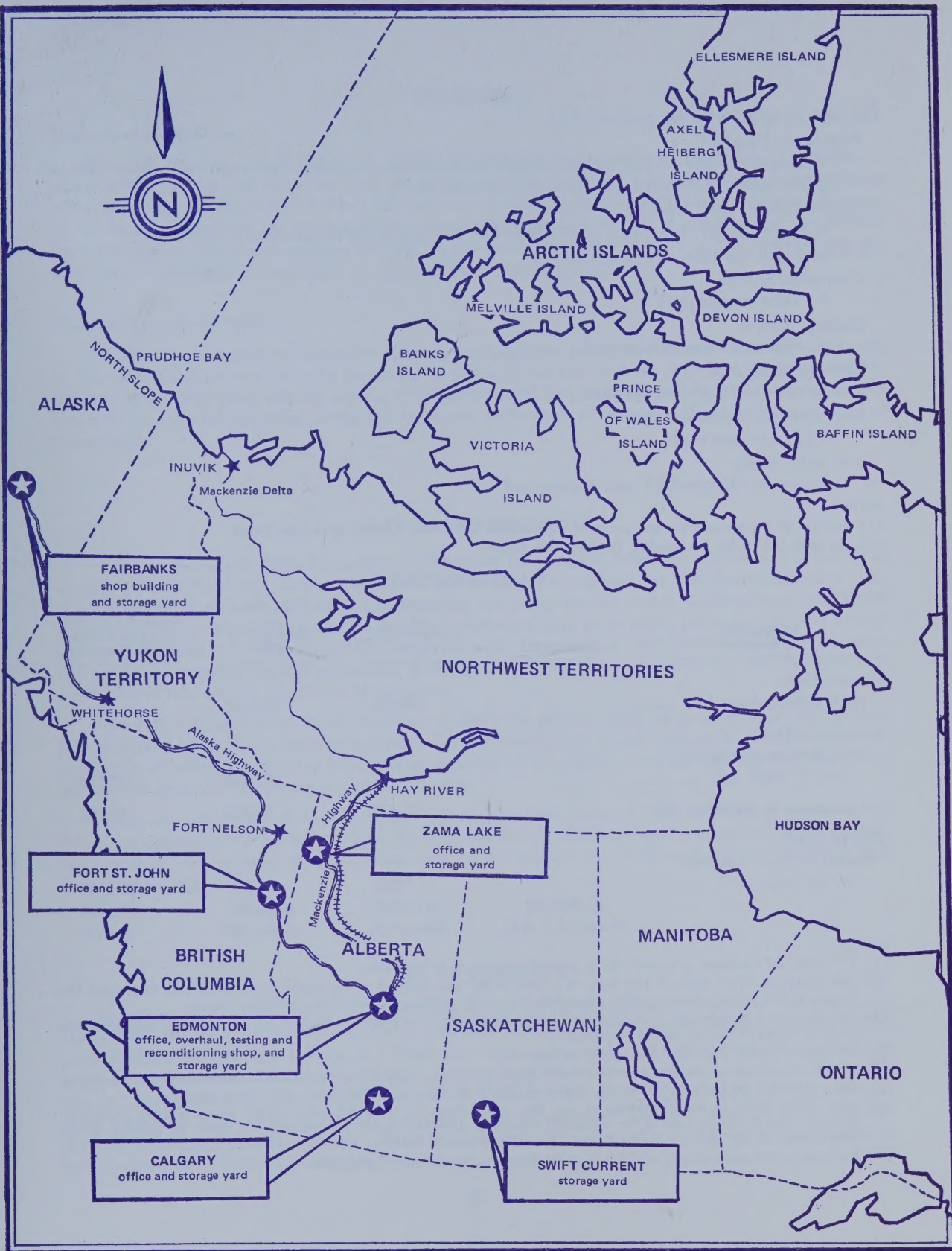
Oil Patch has undertaken the construction of an extension to its present premises in Edmonton, which will increase the plant area from 8,400 square feet to 28,800 square feet. Office area will also be increased from 3,600 square feet to 7,470 square feet. Of the plant area, 14,400 square feet will contain a fabricating and assembly area including a drill pipe repair shop. Three 10-ton overhead cranes will allow Oil Patch to completely rig up a drilling rig of any size within the plant. This is of significant importance during the winter months. In addition, there will be a fully-equipped machine shop (comprising 6,600 square feet) capable of specialized fabrication and repairs. The cost of the building is estimated at \$270,000 and the equipment at \$150,000.

Northern Continental Development

Due to convenience of transportation and availability of the experience and equipment necessary for Northern exploration, Edmonton has become a major overhaul and supply depot for the expanding search for oil and gas in Western Canada, the Arctic Islands, the Mackenzie Delta and the North Slope of Alaska. Edmonton is the central point for most material and equipment being shipped by air, truck or rail to the North. There is an all-weather highway to Fairbanks allowing heavy equipment or emergency supplies to be hauled by truck, thus relieving the cost of air freight. There is road and rail transportation to Hay River to connect to barge transportation on the Mackenzie River. Facilities for all types of aircraft capable of operating in the North are available. For these reasons the principal expansion of Oil Patch's facilities will take place in Edmonton.

At present the most active area of oil and gas exploration is the North Slope of Alaska. In order to fulfill industry demands in this area, Oil Patch has opened a base in Fairbanks, Alaska consisting of a 9.7 acre storage yard and a 4,800 square foot shop building and proposes to establish a sales office in Anchorage, Alaska. Oil Patch is also expanding its facility in Fort St. John, British Columbia at a cost of approximately \$20,000.

To adequately service the requirements of Oil Patch's customers it is proposed to increase oil field equipment inventories at a cost of approximately \$500,000.



PROPERTY

Oil Patch owns the following property: (1)

Edmonton, Alberta

A 22 acre site (2) with a modern building presently being expanded to consist of a plant area of 28,800 square feet and an office area of 7,470 square feet.

Fort St. John, British Columbia

A 3 acre storage yard with a 2,400 square foot building under construction.

Oil Patch leases the following properties:

Edmonton, Alberta

A 10 acre storage yard.

Calgary, Alberta

An office and 2 acre storage yard.

Zama Lake, Alberta

An office and 2 acre storage yard.

Swift Current, Saskatchewan

A 1 acre storage yard.

Fairbanks, Alaska

A shop building and 9.7 acre storage yard.

NOTES

(1) Portions of these properties not presently required for Oil Patch's business have been leased.

(2) See note (2) under the heading Capitalization below.

CAPITALIZATION

Designation of Security	Authorized	Outstanding at September 30, 1969	Outstanding at November 1, 1969	Outstanding at November 1, 1969 after giving Effect to this Financing
	\$	\$	\$	\$
Current Debt:				
Bank indebtedness (1) _____		375,243	345,060	—
Long-Term Debt:				
7½% first mortgage due June 7, 1987 (2) _____		138,172	137,856	137,856
Agreement to purchase (3) _____		50,782	50,782	50,782
Capital Stock:				
Shares without nominal or par value _____		108	108	1,650,108
	(2,000,000	(612,036	(612,036	(912,036
	shares) (4, 5 & 6)	shares) (6)	shares) (6)	shares)

NOTES

(1) The bank indebtedness is secured by a general assignment of book debts.

(2) The mortgage covers lands of 17.9 acres of a total of 22 acres situated on the northeast corner of 75th Street and 51st Avenue in Edmonton, Alberta, and is repayable in monthly instalments of \$1,166, including interest.

(3) The agreement to purchase is secured by specific equipment, is non-interest bearing and is repayable only from proceeds of rental or sale of the said equipment.

(4) See Note 1 to the Financial Statements on page 13.

(5) 50,000 of such shares are reserved for a stock option plan more fully described under the subheading Options to Purchase Securities on page 8. Options in respect of 25,000 of the said 50,000 shares have been granted.

(6) After giving effect to the subdivision of the 108 issued shares of Oil Patch into 612,036 shares without nominal or par value and to the increase of the authorized capital to 2,000,000 shares on December 3, 1969. In addition to the stated value of the shares, Oil Patch had retained earnings of \$644,917 as at September 30, 1969.

(7) For lease rental commitments see Note 5 to the Financial Statements on page 14.

THE SHARES

Description of the Shares

The authorized capital of Oil Patch consists of 2,000,000 shares without nominal or par value, of which 912,036 shares will be issued and outstanding as fully paid and non-assessable upon completion of this financing. All shares of Oil Patch will rank equally with respect to dividends as and when declared by the Board of Directors; are entitled to one vote per share at all meetings of shareholders; are entitled upon winding-up, liquidation or other distribution to receive equally such assets of Oil Patch as are distributable to shareholders; and have no pre-emptive or conversion rights.

Dividend Record and Policy

Oil Patch has not paid any dividends since its incorporation. Payment of dividends by Oil Patch will be determined from time to time by the Board of Directors on the basis of prevailing financial requirements, earnings and other relevant factors. It is not expected that dividends will be paid in the immediate future as the need for expansion within Oil Patch may be so great as to require the re-investment of all of its earnings.

PLAN OF DISTRIBUTION

Under an agreement dated December 5, 1969 made between Oil Patch and Richardson Securities of Canada (the Underwriter), as underwriter, Oil Patch agreed to sell and the Underwriter agreed to purchase, as principal, all of the 300,000 shares offered by this prospectus for a total consideration of \$1,650,000, payable in cash on delivery of certificates therefor in definitive form on or about December 30, 1969 but not later than February 14, 1970. Subject to compliance with the necessary legal formalities and to the terms and conditions stated in the said agreement, if any of the offered shares are taken up, the Underwriter is committed to take up and pay for all of the shares.

Pursuant to an agreement dated December 5, 1969, the persons listed on page 9 under the heading Principal Holders of Shares have agreed with the Underwriter not to sell, dispose of or otherwise deal in, directly or indirectly, shares of Oil Patch for a period of 12 months from the date of this prospectus without the prior written consent of the Underwriter.

Before the completion of this financing the tangible book value of the outstanding shares of Oil Patch was approximately \$1.05 per share. Upon completion of this financing the shares will have a tangible book value of approximately \$2.48 per share. Reference is made to the Balance Sheet and Pro-Forma Balance Sheet on page 11.

USE OF PROCEEDS

The proceeds to be derived by Oil Patch from the sale of the 300,000 shares offered by this prospectus (after deduction of expenses connected with the issue estimated not to exceed \$35,000) will be applied as to \$345,060 to repay the balance of a bank loan; as to approximately \$20,000 for expansion of facilities in Fort St. John, British Columbia; as to approximately \$420,000 for the construction of the building addition and the purchase of related equipment referred to under the heading Expansion on page 4 (or to repay short term bank loans incurred for that purpose); as to approximately \$500,000 for the purchase of equipment to expand Oil Patch's operations, particularly in rental equipment for Alaska and Northern Canada; and the balance of \$329,940 for working capital.

MANAGEMENT

Directors and Officers

The names in full and home addresses of the directors and officers of Oil Patch, the offices held by them in Oil Patch and their principal occupations within the 5 preceding years are as follows:

<u>Name and Address</u>	<u>Office</u>	<u>Principal Occupation</u>
Barron Kidd, 8726 Douglas, Dallas, Texas.	Chairman of the Board, Director and Treasurer	Independent Oil Producer and President of Cardinal Chemical Inc., Dallas, Texas.
Donald Lee Chandler, 4715 - 138 Street, Edmonton, Alberta	President, General Manager and Director	President and General Manager of Oil Patch
Lloyd Cecil Garries, 7147 Saskatchewan Drive, Edmonton, Alberta.	Vice-President and Director	Manager, Rental Division of Oil Patch.
Barron Ulmer Kidd, 4315 Glenwood, Dallas, Texas.	Secretary and Director	Independent Oil Producer.
Perry Stafford Bower, 215 Park Boulevard, Winnipeg, Manitoba.	Director	Retired. Formerly Vice-President, Finance and Director, The Great-West Life Assurance Company.
Eugene William Eurchuk, 40 Fairway Drive, Edmonton, Alberta.	Assistant Secretary and Assistant Treasurer	Comptroller of Oil Patch since August 1965 and previously Branch Manager and Comptroller of a Trust Company.

Barron Kidd has been associated with the oil industry for 44 years. Donald L. Chandler, prior to establishing Oil Patch, had been engaged in oil field equipment sales and rentals both in Canada and the United States since 1936. Lloyd C. Garries has been associated with the oil industry since 1941, and prior to joining Oil Patch in 1963 had been general manager for 8 years of a company also involved in oil field equipment rentals. Oil Patch has a total of 55 permanent employees of whom 10, in supervisory positions, have more than 15 years experience in the industry.

Remuneration of Directors and Senior Officers

The aggregate remuneration (salary and bonus) paid or payable by Oil Patch to the directors and senior officers of Oil Patch during its last completed financial year ended September 30, 1969 was \$176,450 and for the period October 1, 1969 to October 31, 1969 was \$8,125. The aggregate remuneration estimated to be payable by Oil Patch to the directors and senior officers of Oil Patch during the year ending September 30, 1970 is \$175,000.

The cost to Oil Patch during the year ended September 30, 1969 of all pension benefits proposed to be paid on retirement at normal retirement age on behalf of senior officers and directors was approximately \$611.

Options to Purchase Securities

Oil Patch has established a stock option plan on December 4, 1969 under which options to purchase an aggregate of 12,000 shares have been granted to directors and senior officers of Oil Patch and options

to purchase an aggregate of 13,000 shares have been granted to other key employees of Oil Patch, all at a price of \$5.40 per share. The options granted are for a 5 year period but are exercisable as to not more than 20% on a cumulative basis in each year by each optionee. Options will expire in 1974 or earlier upon the optionee ceasing to be an employee of Oil Patch. In addition, Oil Patch has reserved a further 25,000 shares to be granted under the plan at prices and on terms to be established by the Board of Directors from time to time provided that the price will be not less than 90% of the then prevailing market price.

Interest of Management and Others in Material Transactions

Oil Patch has advanced to its President the sum of \$30,000 to assist in the purchase of a residence. As at September 30, 1969 the indebtedness to Oil Patch in respect of this advance was \$28,000 and is fully secured. The advance is repayable in annual instalments of \$2,000 with interest at 7¼% per annum.

PRINCIPAL HOLDERS OF SHARES

As of November 1, 1969 the following each owned, directly or indirectly, of record and beneficially, more than 10% of the shares of Oil Patch.

<u>Name and Address</u>	<u>Number of Shares Owned*</u>	<u>Percentage before this Financing</u>	<u>Percentage after this Financing</u>
Donald Lee Chandler, 4715 - 138 Street, Edmonton, Alberta.	170,010	27.8	18.6
Barron Kidd, 8726 Douglas, Dallas, Texas.	181,344	29.6	19.9
Barron Ulmer Kidd, 4315 Glenwood, Dallas, Texas.	181,344	29.6	19.9

*Adjusted for the share subdivision as set forth in Note 1 of Notes to Financial Statements on page 13.

As of November 1, 1969 the directors and senior officers of Oil Patch, as a group, owned of record and beneficially, 89.8% of the outstanding shares of Oil Patch.

MATERIAL CONTRACTS

Particulars regarding material contracts entered into by Oil Patch within the 2 years preceding the date hereof, other than contracts in the ordinary course of business, are:

- (1) The underwriting agreement dated December 5, 1969 made between Richardson Securities of Canada and Oil Patch, referred to under the heading Plan of Distribution on page 7.
- (2) The agreement dated November 10, 1967 made between Kaps Transport Ltd. and Oil Patch, under which the assets of the trucking division of Oil Patch were sold to Kaps Transport Ltd. for \$213,000.

Copies of the foregoing agreements may be inspected at the principal office of Oil Patch at 5105 - 75th Street, Edmonton, Alberta while the shares offered by this prospectus are in the course of primary distribution.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Oil Patch are Riddell, Stead & Co., Chartered Accountants, 10117 Jasper Avenue, Edmonton, Alberta.

The transfer agent and registrar for the common shares of Oil Patch is Guaranty Trust Company of Canada at its principal offices in Vancouver, Calgary, Regina, Winnipeg, Toronto and Montreal.

AUDITORS' REPORT

To The Directors
Oil Patch Equipment Sales & Rental Ltd.

We have examined the balance sheet and pro-forma balance sheet of Oil Patch Equipment Sales & Rental Ltd. as at September 30, 1969 and the statements of earnings and retained earnings for the five years ended September 30, 1969. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances except that we were not in attendance at the taking of the inventory for the three years ended September 30, 1966 since this was prior to our initial engagement as auditors and verification by adequate alternative audit procedures was impracticable.

In our opinion:

- (a) the accompanying balance sheet presents fairly the financial position of the company as at September 30, 1969;
- (b) the accompanying pro-forma balance sheet presents fairly the financial position of the company as at September 30, 1969 after giving effect to the changes set forth in Note 1;
- (c) the accompanying statements of earnings and retained earnings presents fairly the results of operations of the company for the two years ended September 30, 1969; and
- (d) the accompanying statements of earnings and retained earnings presents fairly, except for the effect of adjustments, if any, that might have been disclosed with respect to the inventories referred to above, the results of operations of the company for the three years ended September 30, 1967, all in accordance with generally accepted accounting principles applied on a consistent basis.

Edmonton, Alberta,
December 5, 1969.

Riddell, Stead & Co.
Chartered Accountants.

OIL PATCH EQUIPMENT SALES & RENTAL LTD.

Balance Sheet and Pro-Forma Balance Sheet

As at September 30, 1969

CURRENT ASSETS	Assets	Balance Sheet	Pro-Forma Balance Sheet (note 1)
Cash		\$ 1,632	\$ 1,241,389
Accounts receivable		631,736	631,736
Inventory of resale equipment, at the lower of cost and net realizable value		492,999	492,999
Prepaid expenses		13,885	13,885
		<u>1,140,252</u>	<u>2,380,009</u>
7¼% SECOND MORTGAGE, due from the President		28,000	28,000
PROPERTY AND EQUIPMENT, at cost (note 2)		1,868,495	1,868,495
Accumulated depreciation		830,672	830,672
		<u>1,037,823</u>	<u>1,037,823</u>
		<u>\$ 2,206,075</u>	<u>\$ 3,445,832</u>
CURRENT LIABILITIES	Liabilities		
Bank indebtedness (secured)		\$ 375,243	\$ —
Accounts payable and accrued liabilities		669,406	669,406
Income taxes		227,267	227,267
Current maturities on long-term debt		3,920	3,920
		<u>1,275,836</u>	<u>900,593</u>
LONG-TERM DEBT (note 3)		185,034	185,034
DEFERRED INCOME TAXES (note 4)		100,180	100,180
CAPITAL STOCK	Shareholders' Equity		
Balance Sheet			
Authorized			
20,000 shares of no par value			
Issued			
108 shares		108	
Pro-Forma Balance Sheet			
Authorized			
2,000,000 shares of no par value			
Issued			
912,036 shares			1,650,108
		108	1,650,108
RETAINED EARNINGS		644,917	609,917
		<u>645,025</u>	<u>2,260,025</u>

Approved on behalf of the Board

Barron Kidd, Director

Donald Lee Chandler, Director

The accompanying notes are an integral part of the financial statements.

OIL PATCH EQUIPMENT SALES & RENTAL LTD.

Statement of Earnings For the Five Years Ended September 30, 1969

	<u>1969</u>	<u>1968</u>	<u>1967</u>	<u>1966</u>	<u>1965</u>
REVENUE	<u>\$3,134,509</u>	<u>\$1,775,819</u>	<u>\$2,688,331</u>	<u>\$2,750,411</u>	<u>\$1,854,183</u>
EXPENSES					
Cost of sales and other expenses	2,326,496	1,499,281	2,204,856	2,410,070	1,750,537
Interest on long-term debt	10,352	10,589	8,913	8,041	3,939
Depreciation	213,205	196,884	228,108	198,616	167,648
	<u>2,550,053</u>	<u>1,706,754</u>	<u>2,441,877</u>	<u>2,616,727</u>	<u>1,922,124</u>
Operating profit (loss)	584,456	69,065	246,454	133,684	(67,941)
Provision for (recovery of) income taxes					
Current	239,071	54,827	99,384	55,889	(27,303)
Deferred	<u>38,654</u>	<u>(27,585)</u>	<u>14,270</u>	<u>1,494</u>	<u>(650)</u>
Earnings (loss) before extraordinary item	306,731	41,823	132,800	76,301	(39,988)
Gain on sale of trucking fleet, net of tax	<u>—</u>	<u>44,245</u>	<u>—</u>	<u>—</u>	<u>—</u>
NET EARNINGS (LOSS)	<u>306,731</u>	<u>86,068</u>	<u>132,800</u>	<u>76,301</u>	<u>(39,988)</u>

Statement of Retained Earnings For the Five Years Ended September 30, 1969

RETAINED EARNINGS AT BEGINNING OF YEAR	338,186	252,118	119,318	43,017	83,005
Net earnings (loss)	<u>306,731</u>	<u>86,068</u>	<u>132,800</u>	<u>76,301</u>	<u>(39,988)</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 644,917</u>	<u>\$ 338,186</u>	<u>\$ 252,118</u>	<u>\$ 119,318</u>	<u>\$ 43,017</u>

The accompanying notes are an integral part of the financial statements.

OIL PATCH EQUIPMENT SALES & RENTAL LTD.

Notes to Financial Statements September 30, 1969

1. PRO FORMA BALANCE SHEET

The pro forma balance sheet is after giving effect, as at September 30, 1969, to the following transactions:

A. RE-ORGANIZATION OF THE COMPANY

- (a) Conversion to a public company.
- (b) Increase of authorized capital to 2,000,000 shares which may be issued for a maximum consideration of \$8,000,000.
- (c) Subdivision of the issued shares (5,667 for 1).

B. FINANCING AND APPLICATION OF PROCEEDS

- (a) Issue, under the terms of an underwriting agreement dated December 5, 1969 of 300,000 shares of the company at \$5.50 per share \$1,650,000
- (b) The application of the proceeds from (a) above as follows:
 - (i) Repayment of bank loans \$ 375,243
 - (ii) The payment and charge to retained earnings of estimated share issue expenses \$ 35,000

2. PROPERTY AND EQUIPMENT

Property and equipment comprise the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land and improvements	\$ 54,075	\$ 14,632
Buildings	193,573	43,388
Rental equipment	1,333,174	659,143
Automotive equipment	144,386	65,710
Shop equipment, furniture and fixtures	143,287	47,799
	<u>\$1,868,495</u>	<u>\$830,672</u>

Depreciation has been provided in the accounts on the straight-line method based on the estimated useful asset life.

3. LONG-TERM DEBT

Long-term debt consists of:

7½% Mortgage on land, repayable in monthly instalments of \$1,166 including interest	\$138,172
Agreement to purchase, secured by specific rental equipment and repayable only from proceeds of rental or sale of said equipment	50,782
	<u>188,954</u>
Less current maturities	3,920
	<u>\$185,034</u>

4. INCOME TAXES

For income tax purposes, the company claims capital cost allowances in excess of the depreciation recorded in the accounts. The company follows the policy of recording deferred income taxes arising from all timing differences between the amounts claimed for income tax purposes and the amounts recorded in the accounts.

5. COMMITMENTS

The company has undertaken to purchase property, equipment and to construct an addition to their plant at an estimated total cost of \$420,000. Until 1974, the company has a commitment to pay lease rental of \$23,000 annually.

6. SUBSEQUENT EVENTS

Subsequent to September 30, 1969, the company:

(a) Consummated the transactions as outlined in Note 1 A.

(b) Established a stock option plan under which 50,000 unissued shares have been reserved for options to be granted to officers and key employees. To date, options to purchase 25,000 shares at \$5.40 per share have been granted.

CERTIFICATE OF OIL PATCH

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Section 13 of the Securities Act (New Brunswick), by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, by Part VII of The Securities Act, 1968 (Manitoba) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, by Part 7 of The Securities Act, 1967 (Alberta) and the regulations thereunder, and by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder.

Dated: December 5, 1969

Donald Lee Chandler
President
Chief Executive Officer

Barron Kidd
Chairman of the Board and Treasurer
Chief Financial Officer

On behalf of the Board of Directors by:

Barron Ulmer Kidd
Director

Lloyd Cecil Garries
Director

DIRECTORS

Barron Kidd

Donald Lee Chandler

Barron Ulmer Kidd

Lloyd Cecil Garries

Perry Stafford Bower

CERTIFICATE OF THE UNDERWRITER

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Section 13 of the Securities Act (New Brunswick), by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, by Part VII of The Securities Act, 1968 (Manitoba) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, by Part 7 of The Securities Act, 1967 (Alberta) and the regulations thereunder, and by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder.

Dated: December 5, 1969

RICHARDSON SECURITIES OF CANADA

By: A. G. Thompson

The following is the name of the only person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Richardson Securities of Canada: George T. Richardson.

17. **HEAD AND OTHER OFFICES**
 The Head Office of the Company is located at 5105-75th Street, Edmonton, Alberta. The Company also has offices at 3636 Dartmouth Road S.E., Calgary, Alberta; Swift Current, Saskatchewan; Fort St. John, British Columbia; and Fairbanks, Alaska.

18. **TRANSFER AGENT**
 The Transfer Agent and Registrar for the common shares of the Company is Guaranty Trust Company of Canada at its principal offices in Vancouver, Calgary, Regina, Winnipeg, Toronto, and Montréal.

19. **TRANSFER FEE**
 No fee is charged on stock transfers other than the customary Government stock transfer taxes.

20. **AUDITORS**
 The auditors of the Company are Riddell, Stead & Co., Chartered Accountants, 10117 Jasper Avenue, Edmonton, Alberta.

21. **OFFICERS AND DIRECTORS**
 The Officers and Directors of the Company are:

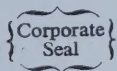
<u>Name</u>	<u>Office</u>
Barron Kidd	Chairman of the Board, Treasurer and Director
Donald Lee Chandler	President, General Manager and Director
Lloyd Cecil Garries	Vice-President and Director
Barron Ulmer Kidd	Secretary and Director
Perry Stafford Bower	Director
Eugene William Eurchuk	Assistant Secretary and Assistant Treasurer

The full names, home addresses and principal occupations of the Company's officers and Directors are shown on page 8 of the Prospectus.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Oil Patch Equipment Sales & Rental Ltd. hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the under-signed officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

OIL PATCH EQUIPMENT SALES & RENTAL LTD.



Per: "L. C. GARRIES",
 Vice-President
 Per: "E. W. EURCHUK",
 Assistant Secretary

CERTIFICATE OF UNDERWRITER/OPTIONEE

To the best of my knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

RICHARDSON SECURITIES OF CANADA

Per: "EDSON BOYD",
 Partner

DISTRIBUTION OF COMMON STOCK AS OF JANUARY 16, 1970

Number		Shares
3	..... Holders of 1 — 24 share lots	35
35	..... " " 25 — 99 " "	1,750
194	..... " " 100 — 199 " "	19,650
80	..... " " 200 — 299 " "	16,250
15	..... " " 300 — 399 " "	4,600
5	..... " " 400 — 499 " "	2,000
25	..... " " 500 — 999 " "	13,100
22	..... " " 1000 — up " "	854,651
<u>379</u>	Shareholders	<u>Total shares 912,036</u>

